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Mr. Kuen
7/10/80

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-183327

Jan 2 1979

The Honorable Lawton Chiles
Chairman, Subcommittee on Federal
Spending Practices and Open
Government
Committee on Governmental Affairs
United States Senate

Dear Mr. Chairman:

This is in reference to your letter dated November 28, 1978, in which you requested that we determine the number of contractors mentioned in our 1977 report on the Contractor Weighted Average Share (CWAS) program that would have been eligible for a waiver under the criteria set forth in section 509 of S. 1264.

In our report entitled, "Increased Costs to the Government Under the Department of Defense Program to Reduce Audits" (PSAD-77-80, dated March 9, 1977), we included two organizational units from each of five large defense contractors. One unit of each contractor was CWAS qualified while the other one was not. Since the units without CWAS qualification had not obtained it under the less restrictive Department of Defense criteria in effect at the time, they would be unlikely to qualify for a waiver under section 509 of S. 1264. We, therefore, limited our current work to the five contractor organizations that had obtained a CWAS qualification.

The resident auditors of the Defense Contract Audit Agency at each contractor were contacted, and we were informed that only one of these contractor organizations would qualify for a waiver under section 509 of S. 1264. If we can be of further service, please contact us.

Sincerely yours,

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Comptroller General
of the United States

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